

RESTRUCTURING SETTLEMENT AGREEMENT

References to Official Document

Book 1 of 5

Page No.

I.	Price Reductions for Customers	22
A.	Unbundled Rates Effective from January 1, 1997 Through the Retail Access Date ...	23
B.	Retail Delivery Rates and the Standard Offer Commencing on the Retail Access Date	25
1.	Components of Rates	25
2.	Distribution Charges	27
3.	Transmission Charges	32
4.	Access Charges	32
5.	Standard Offer	33
6.	Safety Net Service	35
7.	Basic Service	35
8.	Terms and Conditions	36
9.	Inflation Cap for Standard Offer Customers	36
C.	Right to File for Rate Change in the Event that Retail Access Date Postponed	37
II.	Benefits of Competition Extended to All Customers	37
A.	Prior Commitments with Customers	37
1.	Service Extension Agreements	37
2.	Service Extension Discounts	38
3.	Notice Provisions in Mass Electric's Tariffs	39
4.	Conservation and Load Management Program Terms and Conditions	40
B.	Implementation of Retail Access	40
III.	Protect the Environment and Promote Conservation	41
A.	Siting Reform	41
B.	Emissions Reductions	42
C.	Conservation and Load Management and Renewables	42
IV.	Protect Low Income Customers	45

RESTRUCTURING SETTLEMENT AGREEMENT
References to Official Document
(Continued)

Book 1 of 5
Page No.

V. Create a Fully Functioning Stable and Reliable Structure for the Competitive Market	46
A. Regional Reform	46
B. The Jurisdictional Separation Between Transmission and Distribution	46
C. The Transfer of Transmission Properties and Facilities	47
D. Divestiture of NEP's Generating Business	47
E. Standards of Conduct	53
F. Customer Service Standards	53
G. Unbundled Distribution Services	53
VI. Successors and Assigns	54
VII. Additional Provisions	54

STIPULATION AND AGREEMENT

References to Official Document

Book 2 of 5

Page No.

ARTICLE 1.0 - BACKGROUND	2
1.1 Parties	2
1.2 Introduction	3
ARTICLE 2.0 - AMENDMENT OF SERVICE AGREEMENT AND WHOLESALE RATE FREEZE	4
2.1 Amendment of Service Agreement	4
2.2 NEP Rates in Effect	4
ARTICLE 3.0 - CONTRACT TERMINATION	5
3.1 Contract Termination Date Defined	5
3.2 Contract Termination Charges Commencing on the Contract Termination Date	6
3.3 Residual Value Credit	7
3.4 Reconciliation Account	7
3.5 Resolution of Disputes Associated with the Implementation of the Contract Termination Charge	7
3.6 Formula For Contract Termination Charges Not Subject to Change	9
3.7 Provisions from Prior Rate Settlements	9
3.8 Amendment to Fuel Clause	10
ARTICLE 4.0 - TRANSMISSION	10
4.1 NEP to Provide Mass Electric Network Integration Transmission Service	10
4.2 Separation of Transmission and Distribution Facilities	11
ARTICLE 5.0 - TRANSITIONAL SERVICE	12
5.1 Standard Offer Service	12
5.2 Mass Electric Right to Bid the Standard Offer	14
5.3 NEP's Obligation to Install Additional Generation Terminated	14
ARTICLE 6.0 - DIVESTITURE AND MARKET PRICING OF NEP'S GENERATION	14
6.1 Divestiture of NEP's Generating Business	14
6.2 Market Pricing of NEP's Generation	18
6.3 Exempt Wholesale Generator Status	19
6.4 Re-entry into Business	19
6.5 Environmental Commitments at NEP's Facilities	19
ARTICLE 7.0 - SUCCESSORS AND ASSIGNS	20
ARTICLE 8.0 - ADDITIONAL PROVISIONS	20